

1 PD-RDP-804  
95670

PROJECT ASSISTANCE COMPLETION REPORT  
DATE: July 29, 1987

- Ia. TITLE OF ACTIVITY: Books for New Literates
- b. NAME OF PVO: The Adult Literacy Organization of Zimbabwe
- c. LOCATION OF ACTIVITY: Harare, Zimbabwe
- d. GRANT AGREEMENT NO: 613-0224
- c. PACD: July 31, 1986

II FINANCIAL SUMMARY:

- a. Amount of AID Grant: US\$300,000
- b. Funds Received to date: US\$300,000
- c. Expenditure to date: US\$300,000
- d. Balance due under Grant: None

III DESCRIPTION OF ACTIVITY AND PURPOSE (GOALS AND OBJECTIVES)

In November 1982, USAID/Zimbabwe granted the Adult Literacy Organization of Zimbabwe (ALOZ) US\$300,000 for the purpose of increasing the availability of simplified and relevant reading material to new literates. The rationale of the project was that as adults acquire the skills of reading and writing they will be able to build on these through access to appropriate and inexpensive reading materials.

The specific outputs expected were:

- a. efficient production of books and other reading materials for new literates capable of meeting the demand for such materials.
- b. elimination of the 50% subsidy on printed materials sold by ALOZ at that time.
- c. establishment of a fully equipped and operational non-profit printshop capable of financing its operation through income earned from sale of its services and outputs.

The Grant Agreement was signed between ALOZ and USAID/Zimbabwe on November 16, 1982. The Press, which was called ALOE Press became fully operational in September 1983, almost a year from the date of the Grant Agreement. Although priority was given to the printing of ALOZ books, the Press also does work for other PVO Organizations and private companies in commerce and industry.

IV SUMMARY OF MAJOR ACCOMPLISHMENTS FOR THE PERIOD OCTOBER 1983 TO SEPTEMBER 1986

The three anticipated project outputs were accomplished, however, the quality of reading materials printed was adversely affected by the severe drought which has affected Zimbabwe from 1983 to 1987. The drought had serious implications on the numbers of literacy students attending classes and their ability to afford literacy books produced by ALOZ, thereby indirectly determining the number of books Aloe Press could profitably print.

V SUMMARY OF PROGRESS AND STATUS OF PROJECT

A. Establishment of a Fully Equipped and Operational Printshop

Following the signing of the Grant Agreement in November 1982, a Printshop Manager was hired in January 1983 and was given the task of identifying premises in Harare for the Printshop, ordering of equipment and hiring of staff. The equipment took longer than was anticipated to arrive due to shipping delays resulting in installation delays as well. By August 1983, all the major equipment was installed and commissioned, and the press became fully operational in September 1983. Additional machinery was purchased with USAID funds and one small size additional printing machine was also purchased with funds from other sources. To date the Printshop is equipped with the following machinery:

Heidelberg M. Offset Printing Machine  
MCS 8208 Typesetting Machine  
Repromaster 3000 Camera  
Stahl Folding Machine  
Polar MOH Guillotine  
Bacher Type 1500 Light Table  
Dupliphot 300 Platemaker  
McGill's Stapling Machine  
Vickers Stitching Machine  
Three Knife Trimmer  
Paper Drill  
Waxing Machine  
Book Press  
Rotapring R30/90 (purchased with non-grant funds)  
Plastic Sealing Machine

Additionally, the grant assisted with the purchase of smaller pieces of equipment and furniture. The present equipment is sufficient to meet the demand of work by ALOZ and other customers (except in cases of very large print jobs).

As may be expected with a new business, the Printshop incurred a deficit during the first two years of operation (1983/84 -

Z\$27,960; 1984/85 - Z\$25,285). The situation continued to improve and in 1985/86 ALOE Press generated a surplus of Z\$24,399.

Gross Sales of Printing and Typesetting Services for the three years was as follows:

1983/84	-	Z\$ 99,661.00
1984/85	-	Z\$134,276.00
1985/86	-	Z\$222,382.00

Although the grant provided the salary of the manager and the origination (typesetter) persons for the first two years, the Press managed to meet the salaries of these two employees by the end of the first year of operation. This meant that funds which were allocated for salaries in the grant were used to purchase the much needed imported printing materials and additional equipment. To date, the Press is fully operational and self-supporting and ALOZ hopes that it will continue to generate a surplus.

B. Production of Books and Other Reading Materials for New Literates

When ALOE Press was established, it was assumed that they would print for other NGOs and the Government, particularly work for the Government National Literacy Campaign. However, the ALOE Press received more work from the private sector. The capacity utilization of the Press for the period October 1985 to September 1986 was as follows:

ALOE Work	-	31%
Commerce and Industry	-	54%
NGOs	-	10%
Government	-	5%

The capacity utilization of the Press by ALOZ was lower than anticipated. This is reflected by the quantity of books printed for ALOZ by the ALOE Press. The launching of the Government National Literacy Campaign in 1983 meant that all ALOZ books had to be approved by the Ministry of Education. The process of approving books by the Ministry is slow, therefore ALOZ became cautious with the quantity of books it printed to avoid substantial losses when a book was finally approved by the Ministry. To date ALOZ has over sixty six different titles of books in Shona, Ndebele and English.

Although there were shortages of particular titles of books at times during the period of the grant, these did not have a substantial impact on the quantities that were distributed to literacy programmes. With the launching of the National Literacy Campaign, ALOZ promoted use of Government produced

materials in its literacy programmes. To a greater extent, the use of this Government produced material contributed to the low quantities of ALOZ materials distributed to literacy programmes. The press will continue to play a major role in providing reading materials to new literates in both its literacy programmes and those run by other agencies.

C. Elimination of Subsidy on Printed Materials sold by ALOZ

The average cost of books printed by ALOE Press for ALOZ was 73¢. Average book size is forty pages A5 size. The books were sold to literacy students at the cost price, as opposed to the previous system of selling the books at below cost. This was the case because ALOZ used to subsidize the cost of literacy materials sold to new literates by fifty percent.

AL0Z is still concerned with the cost of books to literacy students. Although the prices are economic from ALOZ's point of view, ALOZ has had situations whereby some literacy students are unable to purchase the books. ALOZ feels that it has achieved the objective of eliminating the subsidy on the materials it sells to literacy students although some of the problems mentioned above are still being experienced.

One other reason for the initial high costs of production was that all ALOZ books were more expensive to print the first time around. ALOZ, however, noticed that as the same book was reprinted by ALOE Press the reprinting cost was about 40% lower than the initial printing cost. ALOZ decided to continue selling the books at cost even when it meant reducing the selling price of a particular book.

D. Beneficiaries:

During the life of the project, ALOZ worked with an average of 300 teachers each with an average of 50 students. Considering that about two thirds of year one students continue to year two of the literacy programme, and one third are new students per year, the following numbers could be said to have directly benefitted from the project.

1983/84	-	15,000 new students
1984/85	-	10,000 old students from 1983/85, 5,000 new students
1985/86	-	3,000 old students from 1984/85, 12,000 new students

Total new students (direct beneficiaries) 32,000 students. According to ALOZ, between 75-80% of the literacy students are women. The majority of these women have minimal sources of

income, with an average of four children. The men students are mainly employed in commerce and industry and in the mining sector. Some are employed in the commercial farms and estates.

E. Indirect Beneficiaries:

Considering that 32,000 literacy participants benefitted directly by learning how to read and write using materials printed by ALOE Press, and each adult with an average family of six people (mother, father and four children); ALOZ thinks that the following could have benefitted indirectly from the project.

32,000 adults x 5 other members of family.

Total indirect beneficiaries = 160,000 persons

The materials produced by ALOZ are functional. The books cover such topics as child care, family budgeting, improved agricultural, health related issues. Therefore, new literates use the newly acquired knowledge in their everyday life and also for the benefit of the members of their families and the community. Although statistics are hard to come by, ALOZ believes that other beneficiaries as a result of this project are employers of new literates. Employers have reported improved worker relationship and production levels as a result of literacy programmes.

VI PROBLEMS ENCOUNTERED

Following the establishment of the printshop, ALOZ experienced marketing problems. The assumption was that ALOE Press's marketing emphasis was to be aimed at Welfare and Government Literacy Organizations. However, this was not the case and ALOE Press had to develop a new marketing strategy directed mostly to the private sector. The problem with this was that because of the size of the Press, it could not accept fairly sizeable orders (say printing over 50,000 booklets) for one client without tying up all other work for a long time. This has remained a problem for ALOE Press to date, and can only be resolved by purchasing additional equipment.

Procurement of equipment created some problems which resulted in delay in the establishment of the Printship by one year:

- Firstly, none of the required equipment was available locally and had to be imported thereby increasing costs because of freight charges.
- The equipment did not all come from one country and was not all ordered at the same time, which meant that it arrived at different times.
- While, for the most part, the local agent for the companies which supplied the equipment assured ALOZ of the availability of technicians to install and maintain the

equipment, there was one serious case of delay in installation. When the guillotine machine (a fairly large piece of equipment) arrived, the local agent's technician could not install it, because he had never worked on that type of machine. In fact, the technician had to be sent to South Africa for training before he could install the machine. This delayed the installation and commissioning of the machine considerably.

One company seemed to have a monopoly on maintenance and supply of relevant materials. ALOZ was then forced to go to that company even when they were experiencing problems with it. This was particularly the case at the end of the grant when ALOZ was trying to utilize the balance of the funds under the grant to purchase spare parts for machines and other materials.

Recruitment of experienced staff to work with the sophisticated equipment was difficult. The staff which was hired had to be offered high salaries in order to attract them. Nevertheless, due to the nature of this industry, staff turnover was high during the first two years. For example of the initial eight staff recruited at the establishment of the Printshop, only two of those original eight remained. Also due to the acute shortage of foreign exchange in Zimbabwe, ALOZ found itself being forced to divert grant funds initially allocated for salaries to finance the purchase of much needed imported materials. ALOZ also experienced marketing problems. (See discussion below).

## VII LESSONS LEARNED:

In similar types of projects, and given the foreign exchange shortages, it maybe useful to provide for special funding to provide essential raw materials. As pointed out earlier, in the case of ALOE Press, funds earmarked for staff salaries under the project had to be diverted to the purchase of foreign materials.

Also, a sound costing and monitoring system has to be in place before the operation actually begins. Two reports, the first by Peter Lamb dated July 6, 1984, and the Price Waterhouse Review of ALOE Press dated Devember 7, 1984, pointed out the absence in the original project design of a built in management information and financial reporting system. Two key examples of information not available were, the utilization of capacity and the monitoring of actual costs per labour hour against the cost rates in use. ALOZ had to institute a lot of adjustments to their original managerial and financial control measures in order to overcome problems which began to emerge. ALOZ was worried about the viability of the Project. ALOE Press has since implemented recommendations of the two reports and

instituted sound management information and a financial reporting system and the Press division is now operating effectively.

It takes a considerable amount of time to get this type of operation off the ground. ALOZ believes that adequate start up time line should have been built into the project time within the life time of this grant. This is an important point given that originally the grant was scheduled to end in December of 1984, but it only ended in July of 1986 having been extended twice. Those employees at ALOZ charged with liaising with USAID on procurement of equipment found USAID procedures demanding. This seemed the case because they were not fully aware from the beginning of some of these requirements.

In similar types of projects, and given the foreign exchange shortages, it may be useful to provide for special funding to provide essential raw materials. A sound costing and monitoring system has to be in place before the operation actually begins. ALOZ had to institute a lot of adjustments to their original financial control in order to overcome some of the problems which began to emerge.

There is need to allow alternatives to planned activities. ALOZ anticipated that the Press would do some printing work for the National Literacy Campaign and other NGOs. However, this did not happen as planned so ALOZ had to market its service elsewhere although this was not originally planned for.

During the middle of the project, USAID financed a study on the viability of the Press by Price Waterhouse Management Services. Their recommendations were very useful. Also the fact that the ALOE Press is operating from rented premises affects the viability of the Press, it would be better of ALOZ acquired property of its own to house the Printshop.

#### VIII FINAL EVALUATION:

This report is submitted in lieu of a final evaluation of this project. We believe that ALOE Press has made a very impressive impact and that an impact evaluation in one or two years could reveal the worthiness and replicability of such a project.

Cleared in Draft by: HRDO:MSchulman; CONT:MLewellen; PA:TNare;  
PO:MDavids

AFR/SA  
R/F  
W/F  
Chron

AHRDO:GChekenyere